



Registration of a Charge

Company Name: **DUCENTIS BIOTHERAPEUTICS LTD.**

Company Number: **09307415**



XBZV7Z7C

Received for filing in Electronic Format on the: **22/03/2023**

Details of Charge

Date of creation: **14/03/2023**

Charge code: **0930 7415 0001**

Persons entitled: **SLR INVESTMENT CORP. (AS COLLATERAL AGENT FOR THE SECURED PARTIES)**

Brief description: **N/A.**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A TRUE, COMPLETE AND CORRECT COPY OF THE ELECTRONICALLY EXECUTED ORIGINAL INSTRUMENT.**

Certified by:

**NEEL GOVIND LALWANI, SOLICITOR, DLA PIPER LLP UK,
BIRMINGHAM**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9307415

Charge code: 0930 7415 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th March 2023 and created by DUCENTIS BIOTHERAPEUTICS LTD. was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd March 2023 .

Given at Companies House, Cardiff on 23rd March 2023

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Guarantee and Debenture

Ducentis Biotherapeutics LTD.
as Chargor

SLR Investment Corp.
as Security Agent

Dated 14 March

2023

I certify that, save for material redacted pursuant to s859G of the Companies Act 2006, this is a true, complete and correct copy of the electronically executed original instrument.

Neel Lalvani

Date: 22 March 2023

DLA PIPER UK LLP



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This Guarantee and Debenture (the Deed) is made on

14 March

2023

Parties

- (1) **Ducentis Biotherapeutics LTD.**, a company incorporated and registered under the laws of England and Wales with number 09307415 with its registered office at Suite 2 First Floor, 10 Temple Back, Bristol, United Kingdom BS1 6FL (the **Original Chargor**)
- (2) **SLR Investment Corp.**, a Maryland corporation with an office located at 500 Park Avenue, 3rd Floor, New York, NY 10022 (as collateral agent for the Secured Parties (as defined below)) (in such capacity, the **Security Agent**)

It is agreed:

1 Definitions and interpretation

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Loan and Security Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and

- (b) at all times the following terms have the following meanings:

Accession Deed means an accession deed substantially in the form set out in schedule 6 (*Form of Accession Deed*);

Account Bank means

- (a) Barclays Bank plc; and/or
- (b) such other bank with which any Security Account is maintained from time to time;

Act means the Law of Property Act 1925;

Assigned Assets means the Security Assets expressed to be assigned pursuant to clause 5.2 (*Security assignments*);

Authorisation means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

Business Day means a day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

Charged Investments means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities;

- (a) **Charged Securities** means the securities specified in Part 2 of Schedule 1 (*Details of Security Assets*); and

- (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "*investments*" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by the Chargor, held by a nominee, trustee, fiduciary or clearance system on its behalf or in which the Chargor has an interest at any time;

Chargor means:

- (a) the Original Chargor; and
- (b) any other company which accedes to this Deed pursuant to an Accession Deed;

Debenture Security means the Security created or evidenced by or pursuant to this Deed or any Accession Deed;

Default Rate means the rate of interest determined in accordance with clause 2.3(b) of the Loan and Security Agreement;

Delegate means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Security Agent or by a Receiver;

Excluded Assets means:

- (a) any leasehold property of any Chargor which is subject to a clause which precludes, either absolutely or conditionally, such Chargor from creating any security over its leasehold interest in that property until the relevant condition or waiver has been satisfied or obtained;
- (b) any contract, instrument, lease, licence, agreement or other document as to which the grant of a security interest would (i) constitute a violation of a restriction in favour of a third party or result in the abandonment, invalidation or unenforceability of any right of a Chargor, unless and until any required consents shall have been obtained, or (ii) result in a breach, termination (or a right of termination) or default under such contract, instrument, lease, licence, agreement or other document (including pursuant to any "change of control" or similar provision) until the relevant consent or waiver has been satisfied or obtained;
- (c) any asset or property, the grant or perfection a security interest in which (i) requires any governmental consent, approval, licence or authorisation that has not yet been obtained, or (ii) is prohibited by enforceable anti-assignment provisions of applicable requirements of law except to the extent such prohibition would be rendered ineffective upon the grant or enforcement of security or under applicable law or notwithstanding such prohibition, or (iii) is prohibited by enforceable anti-assignment provisions of contracts governing such asset in existence on the date of this deed (or on the date of acquisition of the relevant asset (and in each case not entered into in anticipation of the creation of this deed or such acquisition and except, in each case, to the extent that term in such contract providing for such prohibition purports to prohibit the granting of security interest over all assets of any Chargor)) except to the extent such prohibition would be rendered ineffective upon the grant or enforcement of security or under applicable law notwithstanding such prohibition and/or until the relevant consent or waiver for such prohibition has been satisfied or obtained;
- (d) any interest in any partnership, joint venture or non-wholly-owned subsidiary of a Chargor which cannot be pledged without (i) the consent of one or more third parties; or (ii) giving rise to a "right of first refusal", a "right of first offer" or a similar right that may be exercised by any third party until the relevant consent or waiver has been satisfied or obtained; and

- (e) any cash or cash equivalents Investments comprised of funds which a Chargor holds as an escrow or fiduciary or on trust for the benefit of another person.

Group means each Loan Party and its Subsidiaries for the time being;

Insurances means all policies of insurance which are at any time held by or written in favour of the Chargor or in which the Chargor from time to time has an interest (including, without limitation the policies of insurance (if any) specified in Part 6 of Schedule 1 (*Details of Security Assets*)) excluding any policies the purpose of which is to benefit a third party (including but not limited to director and officer insurance or public liability insurance or similar);

Intellectual Property means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Chargor in, or relating to:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of the Chargor (which may now or in the future subsist),

(including, without limitation, the intellectual property rights (if any) specified in Part 3 of Schedule 1 (*Details of Security Assets*));

Loan and Security Agreement means the loan and security agreement originally dated 22 December 2021 and further amended and restated on 10 January 2023 and made between, amongst others, (1) Arcutis Biotherapeutics, Inc. as Parent, (2) Arcutis Biotherapeutics, Inc. and Arcutis Canada, Inc. as Borrowers, (3) the banks and financial institutions listed in schedule 1.1 to it as Lenders, and (4) SLR Investment Corp. as Collateral Agent for the provision of the loan secured by this deed;

Party means a party to this Deed;

Planning Acts means (a) the Town and Country Planning Act 1990, (b) the Planning (Listed Buildings and Conservation Areas) Act 1990, (c) the Planning (Hazardous Substances) Act 1990, (d) the Planning (Consequential Provisions) Act 1990, (e) the Planning and Compensation Act 1991, (f) any regulations made pursuant to any of the foregoing and (g) any other legislation of a similar nature;

Quasi-Security means an arrangement or transaction whereby a person:

- (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or reacquired by such person or an Affiliate of such person;
- (b) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
- (c) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- (d) enters into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising financial indebtedness;

Real Property means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to the Chargor or in which the Chargor has an interest at any time (including the registered and unregistered land (if any) in

England and Wales specified in Part 1 of Schedule 1 (*Details of Security Assets*)), together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in respect thereof; and
- (c) the benefit of all covenants given in respect thereof;

Receivables means all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing;

Receiver means a receiver, or receiver and manager or administrative receiver of the whole or any part of the Security Assets appointed by the Security Agent under this Deed;

Related Rights means

, in relation to any Charged Security:

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition; and
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

Relevant Contract means each agreement specified in Part 4 of Schedule 1 (*Details of Security Assets*) or specified in any Accession Deed as a "*Relevant Contract*" together with each other agreement supplementing or amending or novating or replacing the same;

Secured Obligations means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of any present or future member of the Group to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Loan Document (including all monies covenanted to be paid under this Deed);

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

Secured Parties means the Secured Parties (as such term is defined in the Loan and Security Agreement) and any Receiver or Delegate;

Security Account has the meaning given to that term in clause 12.9(a)(iii);

Security Assets means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed;

Security Period means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Loan Documents; and

Spot Rate of Exchange means the rate of exchange at which the Security Agent purchases the relevant currency with Sterling on a particular day.

1.2 Interpretation

- (a) Unless a contrary indication appears, any reference in this Deed to:
 - (i) the **Chargor**, the **Borrower**, **Security Agent** or any other **Secured Party** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Loan Documents;
 - (ii) this Deed, the **Loan and Security Agreement**, any other **Loan Document** or any other agreement or instrument is a reference to this Deed, the **Loan and Security Agreement**, that other **Loan Document** or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of the Chargor or provides for further advances);
 - (iii) **Secured Obligations** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting the Chargor or any member of the Group;
 - (iv) **assets** includes any present and future properties, revenues and rights of every description and includes uncalled capital;
 - (v) **including** or **includes** means including or includes without limitation;
 - (vi) a provision of law is a reference to that provision as amended, extended or re-enacted;
 - (vii) a provision of law is a reference that shall include all subordinate legislation made under that statute or statutory provision; and
 - (viii) the singular includes the plural and vice versa.
- (b) References to clauses and the Schedule are to be construed, unless otherwise stated, as references to clauses and the Schedule of this Deed and references to this Deed include its schedule.
- (c) Clause and schedule headings are for convenience only and shall not affect the construction of this Deed.
- (d) Each undertaking of the Chargor (other than a payment obligation) contained in this Deed:
 - (i) must be complied with at all times during the Security Period; and

- (ii) is given by the Chargor for the benefit of the Security Agent and each other Secured Party.
- (e) The terms of the other Loan Documents and of any side letters between any of the parties to them in relation to any Loan Document are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Security Agent reasonably considers that an amount paid by the Chargor to a Secured Party under a Loan Document is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 Trust

All Security and dispositions made or created, and all obligations and undertakings contained, in this Deed to, in favour of or for the benefit of the Security Agent are made, created and entered into in favour of the Security Agent as trustee for the Secured Parties from time to time on the terms of the Loan and Security Agreement.

1.4 Third party rights

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

2 Guarantee and Indemnity

2.1 Guarantee and indemnity

Each Chargor irrevocably and unconditionally jointly and severally:

- (a) guarantees to the Security Agent punctual performance by each member of the Group of all that member's obligations under the Loan Documents;
- (b) undertakes with the Security Agent that whenever another member of the Group does not pay any amount when due under or in connection with any Loan Document, that Chargor shall promptly on demand pay that amount as if it were the principal obligor; and
- (c) agrees with the Security Agent that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Security Agent promptly on demand against any costs, loss or liability it incurs as a result of a member of the Group not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Loan Document on the date when it would have been due. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this Deed if the amount claimed had been recoverable on the basis of a guarantee.

2.2 Extension of guarantee

The guarantee set out in this clause 2 is given subject to and with the benefit of the provisions set out in schedule 2 (*The Guarantee*).

3 Covenant to pay

3.1 Covenant to pay

- (a) The Chargor, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due.
- (b) Every payment by the Chargor of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Loan Document under which such sum is payable to that Secured Party shall operate in satisfaction to the same extent of the covenant contained in clause 3.1(a).

3.2 Default interest

- (a) Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the rate and in the manner agreed in the Loan Document under which such amount is payable and, in the absence of such agreement, at the Default Rate from time to time.
- (b) Default interest will accrue from day to day on a year of 365 days and will be compounded at such intervals as the Security Agent (acting on the instructions of the Security Agent) states are appropriate.

4 Grant of security

4.1 Nature of security

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of the Security Agent;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- (c) as continuing security for payment of the Secured Obligations.

4.2 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

5 Fixed security

5.1 Fixed charges

Subject to clause 7.5, the Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by the Chargor, or in which it from time to time has an interest:

- (a) by way of first legal mortgage:
 - (i) the Real Property (if any) specified in Part 1 of Schedule 1 (*Details of Security Assets*); and
 - (ii) all other Real Property (if any) at the date of this Deed vested in, or charged to, the Chargor (not charged by clause 5.1(a)(i));
 - (b) by way of first fixed charge:
 - (i) all other Real Property and all interests in Real Property (not charged by clause 5.1(a));
 - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
 - (iii) the proceeds of sale of all Real Property;
 - (c) by way of first fixed charge all plant and machinery (not charged by clause 5.1(a) or 5.1(b)) and the benefit of all contracts, licences and warranties relating to the same;
 - (d) by way of first fixed charge:
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 5.1(c)); and
 - (ii) the benefit of all contracts, licences and warranties relating to the same,
- other than any which are for the time being part of the Chargor's stock-in-trade or work-in-progress);
- (e) by way of first fixed charge:
 - (i) the Charged Securities referred to in Part 2 of Schedule 1 (*Details of Security Assets*); and
 - (ii) all other Charged Securities (not charged by clause 5.1(e)(i)),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which the Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;

- (f) by way of first fixed charge:
 - (i) the Security Accounts and all monies at any time standing to the credit of the Security Accounts; and
 - (ii) all accounts of the Chargor with any bank, financial institution or other person at any time not charged by clause 5.1(f)(i) and all monies at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;

- (g) by way of first fixed charge:
 - (i) the Intellectual Property (if any) specified in Part 3 of Schedule 1 (*Details of Security Assets*); and
 - (ii) all other Intellectual Property (if any) (not charged by clause 5.1(g)(i));
- (h) to the extent that any Assigned Asset is not effectively assigned under clause 5.2 (*Security assignments*), by way of first fixed charge such Assigned Asset;
- (i) by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed):
 - (i) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of the Chargor or the use of any of its assets; and
 - (ii) any letter of credit issued in favour of the Chargor and all bills of exchange and other negotiable instruments held by it; and
- (j) by way of first fixed charge all of the goodwill and uncalled capital of the Chargor.

5.2 Security assignments

Subject to clause 7.5, the Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:

- (a) the Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising from them;
- (b) each of the following:
 - (i) all Insurances specified in Part 6 of Schedule 1 (*Details of Security Assets*); and
 - (ii) all other Insurances (not assigned by clause 5.2(b)(i)),
 and all claims under the Insurances and all proceeds of the Insurances; and
- (c) all other Receivables (not assigned under clauses 5.2(a) or 5.2(b)).

To the extent that any Assigned Asset described in clause 5.2(b) is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Chargor to any proceeds of such Insurances.

Notwithstanding the foregoing provisions of this clause 5.2 but subject to the obligations set out in Clause 12 (*Undertakings by the Chargor*), unless and until an Event of Default occurs that is continuing, each Chargor shall be entitled to exercise all of its rights and benefits in (and in relation to) the Insurances and Relevant Contracts, as if the security assignment in respect of such Insurances and Relevant Contracts had not been created.

5.3 Notice of assignment and/or charge - immediate notice

Promptly upon execution of this Deed (and immediately upon the obtaining of any Insurance or the execution of any Relevant Contract after the date of this Deed) the Chargor shall:

- (a) to the extent such Insurance is not an Excluded Asset, in respect of each of its Insurances, deliver a duly completed notice of assignment to each other party to that Insurance, and shall use its reasonable endeavours to procure that each such party executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in Schedule 5 (*Form of notice to and acknowledgement by insurers*);
- (b) to the extent such Relevant Contract is not an Excluded Asset, in respect of each Relevant Contract, deliver a duly completed notice of assignment to each other party to that Relevant Contract, and use its reasonable endeavours to procure that each such party executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in Schedule 4 (*Form of notice to and acknowledgement by party to Relevant Contract*); and
- (c) in respect of the Security Account, deliver a duly completed notice to the Account Bank and use its reasonable endeavours to procure that the Account Bank executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in Schedule 3 (*Form of notice to and acknowledgement from Account Bank*), or, in each case, in such other form as the Security Agent shall agree.

5.4 Assigned Assets

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

6 Floating charge

The Chargor charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) not otherwise effectively charged by way of fixed mortgage or charge or assigned pursuant to clause 5.1 (*Fixed charges*), clause 5.2 (*Security assignments*) or any other provision of this Deed; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets.

7 Conversion of floating charge

7.1 Conversion by notice

The Security Agent may, by written notice to the Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of the Chargor specified in the notice if:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Security Agent (acting reasonably) considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

7.2 Part A1 Moratorium

- (a) The floating charge created under this Deed by the Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under Part A1 of the Insolvency Act 1986 (or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation)) in respect of the Chargor.

- (b) Clause 7.2(a) does not apply to a floating charge created under this Deed which falls within any of the categories described in section A52(4) of the Insolvency Act 1986.

7.3 Automatic conversion

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to a floating charge if:
 - (i) the Chargor creates (or attempts or purports to create) any Security (other than a Permitted Lien) on or over the relevant Security Asset without the prior written consent of the Security Agent (except as expressly permitted by the terms of this deed or the Loan and Security Agreement); or
 - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and
- (b) over all Security Assets of the Chargor which are subject to a floating charge if an administrator is appointed in respect of the Chargor or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

7.4 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 7.1 (*Conversion by notice*) in relation to any class of assets of the Chargor shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of the Security Agent and/or the other Secured Parties.

7.5 Excluded Assets

- (a) Notwithstanding any other provision of the Loan Documents, but subject only to paragraph (b) below, the security created by clause 7 shall not apply to the Excluded Assets.
- (b) In relation to the Excluded Assets referred to in paragraphs (a) to (d) of the definition of Excluded Assets, such assets shall only be Excluded Assets for so long as any relevant consent or waiver of prohibition has not been obtained.
- (c) Immediately on receipt of any relevant consent or waiver, the relevant formerly Excluded Assets shall stand charged to the Security Agent under the applicable sub-clause of clause 7 relevant to such asset and each Chargor shall promptly inform the Security Agent in writing of the same. If required by the Security Agent at any time following receipt of that waiver or consent, the relevant Chargor shall execute a valid fixed charge and/or assignment in such form as the Security Agent reasonably requires.

8 Continuing security

8.1 Continuing security

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

8.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent and/or any other Secured Party may at any time hold for any Secured Obligation.

8.3 Right to enforce

This Deed may be enforced against the Chargor without the Security Agent and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

9 Liability of the Chargor relating to Security Assets

Notwithstanding anything contained in this Deed or implied to the contrary, the Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

10 Accounts

No monies at any time standing to the credit of any account (of any type and however designated) of the Chargor with the Security Agent and/or any other Secured Party (or any of them) or in which the Chargor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than a Secured Party.

11 Representations

11.1 General

The Chargor makes the representations and warranties set out in this clause 11 to the Security Agent and to each other Secured Party in each case in respect of itself only and only in respect of those Security Assets which are owned or controlled by such Chargor.

11.2 No Security Interests

No Security or Quasi-Security exists over all or any of the present or future Security Assets of the Chargor other than:

- (a) as created by this Deed;
- (b) Permitted Liens; and
- (c) as permitted by the Loan and Security Agreement.

11.3 Ranking

The Debenture Security has or will have first ranking priority and is not subject to any prior ranking or *pari passu* ranking Security.

11.4 Ownership of Security Assets

The Chargor is the sole legal and beneficial owner of all the Security Assets identified in Schedule 1 (*Details of Security Assets*).

11.5 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which would result in the Chargor incurring a liability of £800,000 (or its equivalent in other currencies) or more have, to the best of its knowledge and belief (having made due and careful enquiry), been started or threatened against it or any of its Subsidiaries.

11.6 Charged Securities

The Charged Securities listed in Part 2 of Schedule 1 (*Details of Security Assets*) are fully paid and constitute the entire share capital owned by the Chargor in the relevant company and constitute the entire share capital of each such company.

11.7 Real Property

In relation to the Real Property, Part 1 of Schedule 1 (*Details of Security Assets*) identifies all freehold and leasehold Real Property which is beneficially owned by the Chargor at the date of this Deed.

11.8 Time when representations made

- (a) All the representations and warranties in this clause 11 are made by the Original Chargor on the date of this Deed and (except for those in clause 11.6 (*Charged Securities*) and 11.7 (*Real Property*)) are also deemed to be made by the Chargor:
 - (i) on the date of each Loan Payment Request Form and each Payment Date; and
 - (ii) (in the case of a company that accedes to the terms of this Deed pursuant to an Accession Deed) on the day on which it becomes a Chargor.
- (b) Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

12 Undertakings by the Chargor

12.1 Negative pledge and Disposals

The Chargor shall not do or agree to do any of the following without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security or Quasi-Security on any Security Asset other than as created by this Deed and except for a Permitted Lien as permitted by the Loan and Security Agreement; or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset save as permitted pursuant to the provisions of the Loan and Security Agreement.

12.2 Security Assets generally

The Chargor shall:

- (a) notify the Security Agent within 14 days of receipt of every notice, order, application, requirement or proposal given or made in relation to, the Security Assets by any competent authority, and (if required by the Security Agent):
 - (i) promptly provide it with a copy of the same; and
 - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same, if so required by such notice, as the Security Agent may require or approve;
- (b) pay all rates, rents, and other outgoings owed by it in respect of the Security Assets;
- (c) comply with:
 - (i) all obligations in relation to the Security Assets under any present or future regulation or requirement of any competent authority or any Authorisation; and
 - (ii) all covenants and obligations affecting any Security Asset (or its manner of use);where failure to do so has or is reasonably likely to result in a Material Adverse Change;
- (d) not, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld, conditioned or delayed), enter into any onerous or restrictive obligation affecting any Security Assets (except as expressly permitted under the Loan and Security Agreement);
- (e) provide the Security Agent with all information which it may reasonably request in relation to the Security Assets; and
- (f) not do, cause or permit to be done anything which might reasonably be expected to depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

12.3 Deposit of documents and notices

The Chargor shall:

- (a) if requested by the Security Agent following an Event of Default that is continuing by notice in writing to the Chargor (and without prejudice to clause 12.13(a)), deposit with the Security Agent:
 - (i) all deeds and documents of title relating to the Security Assets; and
 - (ii) all local land charges, land charges and the Land Registry search certificates and similar documents received by or on behalf of the Chargor,(each of which the Security Agent may hold throughout the Security Period); and
- (b) promptly on request by the Security Agent, affix to any plant, machinery, fixtures, fittings, computers, vehicles, office equipment, other equipment and other asset for

the time being owned by it (in a prominent position) a durable notice of this Deed (in any form required by the Security Agent (acting reasonably)).

12.4 Authorisations

The Chargor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, and supply certified copies to the Bank of any Authorisation required under any law or regulation to enable it to perform its obligations under this Deed.

12.5 Real Property undertakings – acquisitions and notices to the Land Registry

- (a) The Chargor shall notify the Security Agent immediately upon the acquisition of any estate or interest in any freehold or leasehold property that has a market price in excess of £800,000 in aggregate.
- (b) The Chargor shall, in respect of any freehold or leasehold Real Property which is acquired by it after the date of this Deed, the title which is registered at the Land Registry or the title to which is required to be so registered:
 - (i) give the Land Registry written notice of this Deed; and
 - (ii) procure that notice of this Deed is clearly noted in the Register to each such title.

12.6 Real Property undertakings – maintenance

- (a) The Chargor shall maintain all buildings and erections forming part of the Security Assets in a reasonable state of repair.
- (b) The Chargor shall not, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld) (or as expressly permitted under the Loan and Security Agreement):
 - (i) confer on any person any lease or tenancy of any of the Real Property or accept a surrender of any lease or tenancy (whether independently or under any statutory power);
 - (ii) confer on any person any right or licence to occupy any land or buildings forming part of the Real Property; or
 - (iii) grant any licence to assign or sub-let any part of the Real Property.
- (c) The Chargor shall not, without the prior written consent of the Security Agent (such consent not to be unreasonably withheld, conditional or delayed), carry out any development within the meaning of the Planning Acts in or upon any part of the Real Property without first obtaining such permissions as may be required under or by virtue of the Planning Acts and, in the case of development involving a substantial change in the structure of, or a change of use of, any part of the Real Property, without first obtaining the written consent of the Security Agent.
- (d) The Chargor shall not do, or knowingly permit to be done, anything as a result of which any lease may be liable to forfeiture or otherwise be determined.
- (e) The Chargor shall permit the Security Agent and any person nominated by it at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it provided that no more than two such inspections shall occur during any calendar year unless an Event of Default has occurred and is continuing at the time of such inspection.

12.7 Real Property undertakings – title investigation

The Chargor shall grant the Security Agent on request all reasonable facilities within the power of the Chargor to enable the Security Agent (or its lawyers) to carry out investigations of title to the Real Property and to make all enquiries in relation to any part of the Real Property which a prudent mortgagee might carry out. Those investigations shall be carried out at the expense of the Chargor.

12.8 Insurance

(a) The Chargor shall at all times comply with its obligations as to insurance contained in the Loan and Security Agreement (and in particular, clause 6.5 of the Loan and Security Agreement).

(b) If at any time the Chargor defaults in:

- (i) effecting or keeping up the insurances (A) required under the Loan and Security Agreement; or
- (ii) producing any insurance policy or receipt to the Security Agent on demand,

the Security Agent may (without prejudice to its rights under clause 13 (*Power to remedy*)) take out or renew such policies of insurance in any sum which the Security Agent may reasonably think expedient. All monies which are expended by the Security Agent in doing so shall be deemed to be properly paid by the Security Agent and shall be reimbursed by the Chargor on demand.

(c) The Chargor shall notify the Security Agent if any claim arises or may be made under the Insurances.

(d) The Chargor shall, subject to the rights of the Security Agent under clause 12.8(e), diligently pursue its rights under the Insurances.

(e) In relation to the proceeds of Insurances:

- (i) the Chargor shall use reasonable endeavours for a period of thirty (30) days Business Days to have the Security Agent added as a loss payee in relation to the Insurances under and have the sole right to settle or sue for any such claim and to give any discharge for insurance monies; and
- (ii) all claims and monies received or receivable under any Insurances shall (subject to the rights or claims of any lessor or landlord of any part of the Security Assets) be applied in accordance with the Loan and Security Agreement or (if no requirement as to application is so imposed) in repairing, replacing, restoring or rebuilding the property damaged or destroyed or, after the occurrence of an Event of Default which is continuing, in permanent reduction of the Secured Obligations in accordance with the Loan and Security Agreement.

12.9 Dealings with and realisation of Receivables and operation of Security Accounts

(a) The Chargor shall:

- (i) without prejudice to clause 12.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Security Agent (not to be unreasonably withheld, conditional or delayed), sell, assign, charge, factor or discount or in any other manner deal with any Receivable;

- (ii) collect all Receivables promptly in the ordinary course of trading as agent for the Security Agent; and
- (iii) immediately upon receipt pay all monies which it receives in respect of the Receivables into:
 - (A) the account specified in Part 6 of Schedule 1 (*Details of Security Assets*) as a Security Account;
 - (B) following an Event of Default that is continuing, such specially designated account(s) with the Security Agent as the Security Agent may from time to time direct; or
 - (C) following an Event of Default that is continuing, such other account(s) with such other bank as the Security Agent may from time to time direct,

(each such account(s) together with all additions to or renewals or replacements thereof (in whatever currency) being a **Security Account**); and
- (iv) pending such payment, hold all monies so received upon trust for the Security Agent.
- (b) Following an Event of Default that is continuing, the Chargor shall deal with the Receivables (both collected and uncollected) and the Security Accounts in accordance with any directions given in writing from time to time by the Security Agent and, in default of and subject to such directions, in accordance with this Deed.
- (c) The Chargor shall deliver to the Security Agent such information as to the amount and nature of its Receivables as the Security Agent may from time to time reasonably require (taking into account the requirements of the Loan Documents).

12.10 Operation of Security Accounts

- (a) The Chargor shall not, whilst an Event of Default is continuing, withdraw, attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any Security Account without the prior written consent of the Security Agent and the Security Agent shall be entitled to reasonably refuse to permit any such withdrawal or transfer.
- (b) For the avoidance of doubt, prior to the occurrence of an Event of Default, a Chargor shall be entitled to make withdrawals from any Security Accounts in its ordinary course of business.
- (c) If the right of the Chargor to withdraw the proceeds of any Receivables standing to the credit of a Security Account results in the charge over that Security Account being characterised as a floating charge, that will not affect the nature of any other fixed security created by the Chargor under this Deed on all its outstanding Receivables.

12.11 Account Bank and notices

- (a) The initial Account Bank is Barclays Bank plc unless the Security Agent specifies otherwise.
- (b) Where any Security Account of the Chargor is changed or a new Security Account is opened, the Chargor shall deliver to relevant Account Bank a duly completed notice and procure that such Account Bank executes and delivers to the Security Agent an

acknowledgement, in each case in the respective forms set out in Schedule 3 (*Form of notice to and acknowledgement from Account Bank*).

12.12 Change of Account Bank

- (a) The Account Bank may only be changed to another bank or financial institution with the consent of the Security Agent (not to be unreasonably withheld, conditional or delayed).
- (b) A change only becomes effective when the proposed new Account Bank agrees with the Security Agent and the Chargor (in a manner satisfactory to the Security Agent) to fulfil the role of the Account Bank under this Deed.
- (c) The Chargor shall take any action which the Security Agent reasonably requires to facilitate a change of Account Bank and any transfer of credit balances (including the execution of bank mandate forms) and irrevocably appoints the Security Agent as its attorney to take any such action if it should fail to do so.

12.13 Charged Investments - protection of Security

- (a) The Chargor shall, within five Business Days of the execution of this Deed or (if later), as soon as is practicable after its acquisition of any Charged Securities in certificated form, by way of security for the Secured Obligations:
 - (i) deposit with the Security Agent (or as the Security Agent may direct), all certificates and other documents of title or evidence of ownership to the Charged Securities and their Related Rights; and
 - (ii) execute and deliver to the Security Agent:
 - (A) instruments of transfer in respect of the Charged Securities (executed in blank and left undated), and/or
 - (B) such other documents as the Security Agent shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Related Rights (or to pass legal title to any purchaser).
- (b) The Chargor shall:
 - (i) promptly give notice to any custodian of any agreement with the Chargor in respect of any Charged Investment in a form the Security Agent may require; and
 - (ii) use its reasonable endeavours to ensure that the custodian acknowledges that notice in a form the Security Agent may require.
- (c) If so requested by the Security Agent, the Chargor shall:
 - (i) instruct any clearance system to transfer any Charged Investment held by it for the Chargor or its nominee to an account of the Security Agent or its nominee with such clearance system; and
 - (ii) take whatever action the Security Agent may reasonably request for the dematerialisation or rematerialisation of any Charged Investment held in a clearance system.

- (d) Without prejudice to the rest of this clause 12.13, the Security Agent may, at the expense of the Chargor, take whatever action is reasonably required for the dematerialisation or rematerialisation of the Charged Investments.
- (e) The Chargor shall promptly pay all calls or other payments which may become due in respect of the Charged Investments.
- (f) The Chargor shall not nominate another person to enjoy or exercise all or any of its specified rights in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.
- (g) Without limiting its obligations under clause 12.2(e), the Chargor shall comply with all requests for information within its knowledge relating to the Charged Investments and, if it fails to do so, the Security Agent may provide such information as it may have on behalf of the Chargor.

12.14 Rights in respect of Charged Investments

- (a) Until an Event of Default occurs, the Chargor shall be entitled to:
 - (i) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities; and
 - (ii) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which:
 - (A) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Related Rights unless permitted by the Loan Documents; or
 - (B) which is prejudicial to the interests of the Security Agent and/or the other Secured Parties.
- (b) At any time following the occurrence of an Event of Default which is continuing, the Security Agent may complete the instrument(s) of transfer for all or any Charged Securities on behalf of the Chargor in favour of itself or such other person as it may select.
- (c) At any time when any Charged Security is registered in the name of the Security Agent or its nominee, the Security Agent shall be under no duty to:
 - (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee;
 - (ii) verify that the correct amounts are paid or received; or
 - (iii) take any action in connection with the taking up of any (or any offer of any) Related Rights in respect of or in substitution for, any such Charged Security.

12.15 Relevant Contracts

- (a) The Chargor shall not, except with the prior written consent of the Security Agent (such consent shall not be unreasonably delayed or withheld), amend or waive any term of any Relevant Contract, terminate any Relevant Contract or release any other party from its obligations under any Relevant Contract.

- (b) The Chargor shall duly perform its obligations under each Relevant Contract, shall notify the Security Agent of any material default by it or any other party under any Relevant Contract and shall not take any action which will materially reduce or impede recoveries in respect of any Assigned Asset.
- (c) The Chargor shall provide to the Security Agent, as soon as practicable upon receipt, copies of all notices and information received by it from any other party to any Relevant Contract.

12.16 Payments

Subject to clause 12.17 (*Gross-up*), all payments to be made by the Chargor in respect of this Deed shall be made:

- (a) in immediately available funds to the credit of such account as the security Agent may designate; and
- (b) without (and free and clear of, and without any deduction for, or on account of):
 - (i) any set-off or counterclaim; or
 - (ii) except to the extent compelled by law, any deduction or withholding for or on account of Tax.

12.17 Gross-up

- (a) If the Chargor is compelled by law to make any deduction or withholding from any sum payable under this Deed to the Security Agent, the sum so payable by the Chargor shall be increased so as to result in the receipt by the Security Agent of a net amount equal to the full amount expressed to be payable under this Deed.
- (b) If the Chargor makes a tax payment in accordance with clause 12.17(a) and the Security Agent determines that:
 - (i) a tax credit is attributable either to an increased payment of which that tax payment forms part, or to that tax payment; and
 - (ii) the Security Agent has obtained, utilised and retained that tax credit,

the Security Agent shall pay an amount to the Chargor which the Security Agent determines will leave it (after that payment) in the same after-tax position as it would have been in had the tax payment not been required to be made by the Chargor.

12.18 Taxation

- (a) The Chargor shall pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them; and
 - (iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a material adverse effect on the Chargor.
- (b) The Chargor shall not change its residence for Tax purposes.

12.19 Costs and Expenses

(a) Transaction expenses

The Chargor shall, to the extent such costs and expenses have not been paid by the Borrower pursuant to the Loan and Security Agreement, within 3 Business Days of demand, pay the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it or any Receiver or Delegate in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

- (i) this Deed and any other documents referred to in this Deed; and
- (ii) any other Loan Documents executed after the date of this Deed.

(b) Amendment costs

If the Chargor requests an amendment, waiver or consent, the Chargor shall, within three Business Days of demand, reimburse the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Security Agent and any Receiver or Delegate in responding to, evaluating, negotiating or complying with that request or requirement.

(c) Enforcement and preservation costs

The Chargor shall to the extent such costs and expenses have not been paid by the Borrower pursuant to the Loan Security Agreement, within three Business Days of demand, pay to the Security Agent the amount of all costs and expenses (including legal fees) properly incurred by it in connection with the enforcement of or the preservation of any rights under any Loan Document and any proceedings instituted by or against the Bank as a consequence of taking or holding or enforcing these rights.

13 Power to remedy

13.1 Power to remedy

If at any time the Chargor does not comply with any of its obligations under this Deed, the Security Agent (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The Chargor irrevocably authorises the Security Agent and its employees and agents by way of security to do all such things (including entering the property of the Chargor) which are necessary or desirable to rectify that default.

13.2 Mortgagee in possession

The exercise of the powers of the Security Agent under this clause 12.16 shall not render it or any other Secured Party liable as a mortgagee in possession.

13.3 Monies expended

The Chargor shall pay to the Security Agent on demand any monies which are expended by the Security Agent in exercising its powers under this clause 12.16, together with interest at the Default Rate from the date on which those monies were expended by the Security Agent (both before and after judgment) and otherwise in accordance with clause 3.2 (*Default interest*).

14 When security becomes enforceable

14.1 When enforceable

This Debenture Security shall become immediately enforceable upon the occurrence of an Event of Default and shall remain so for so long as such Event of Default is continuing.

14.2 Statutory powers

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Event of Default and for so long as such Event of Default is continuing.

14.3 Enforcement

After this Debenture Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it sees fit.

15 Enforcement of security

15.1 General

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Debenture Security.

15.2 Powers of leasing

The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with section 99 or 100 of the Act.

15.3 Powers of Security Agent

(a) At any time after the Debenture Security becomes enforceable (or if so requested by the Chargor by written notice at any time), the Security Agent may without further notice (unless required by law):

- (i) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
- (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Chargor; and/or
- (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver.

(b)

- (i) Subject to clause 15.3(b)(ii), at any time after this Security has become enforceable, the Security Agent may (without further notice unless required by law) exercise (in the name of the Chargor and without any further consent or authority on the part of the Chargor) any voting rights and any powers or

rights (such voting and other powers and rights being, together, the **Voting Rights**) which may be exercised by the legal or beneficial owner of any Charged Investment, any person who is the holder of any Charged Investment or otherwise.

- (ii) Where a notifiable acquisition under s6 of the National Security and Investment Act 2021 (the **NSI Act**) and/or any regulations made under the NSI Act would take place as a consequence of any exercise by the Security Agent of the Voting Rights, or as a consequence of the right to exercise those Voting Rights arising, the Security Agent shall not be entitled to exercise any of the Voting Rights unless and until the Secretary of State has approved that notifiable acquisition and then only to the extent that any such exercise of any of the Voting Rights by the Security Agent would not be, as a consequence of that exercise, a breach of the provisions of a final order made in relation to that notifiable acquisition under the NSI Act and/or those regulations.
- (iii) The Chargor acknowledges that the Security Agent may:
 - (A) where clause 15.3(b)(ii) applies, give any mandatory notice which may be required under and in accordance with the NSI Act and/or any regulations made under it. The Chargor agrees that the Security Agent may instead direct the Chargor to give any such mandatory notice as the representative of the Security Agent within such time frame as the Security Agent may acting reasonably require and within any relevant time limits set out in the NSI Act and/or any regulations made under it; and
 - (B) if the Security has become enforceable but clause 15.3(b)(ii) does not apply, give a voluntary notice, in connection with the right to exercise the Voting Rights, under and in accordance with the NSI Act and/or any regulations made under it. The Chargor agrees that the Security Agent may instead direct the Chargor to give such voluntary notice as the representative of the Security Agent within such time frame as the Security Agent may acting reasonably require.

The Chargor shall notify the Security Agent within two Business Days of any correspondence received by it in connection with the relevant mandatory or voluntary notice.

- (c) The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of the Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Part A1 of the Insolvency Act 1986 (or anything done with a view to obtaining such a moratorium, including any preliminary decision or investigation) in respect of the Chargor, unless the floating charge falls within any of the categories described in section A52(4) of the Insolvency Act 1986.

15.4 Redemption of prior mortgages

At any time after the Debenture Security has become enforceable, the Security Agent may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on the Chargor.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Security Agent on demand.

15.5 Privileges

- (a) Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.
- (b) To the extent that the Security Assets constitute "*financial collateral*" and this Deed and the obligations of the Chargor under this Deed constitute a "*security financial collateral arrangement*" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) each Receiver and the Security Agent shall have the right after this Debenture Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (c) For the purpose of clause 15.5(b), the value of the financial collateral appropriated shall be such amount as the Receiver or Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

15.6 No liability

- (a) Neither the Security Agent, any other Secured Party nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 15.6(a), neither the Security Agent, any other Secured Party nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

15.7 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or any Receiver or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any power which the Security Agent or the Receiver is purporting to exercise has become exercisable;
- (c) whether any money remains due under any Loan Document; or
- (d) how any money paid to the Security Agent or to the Receiver is to be applied.

16 Receiver

16.1 Removal and replacement

The Security Agent may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and,

whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

16.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

16.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent).

16.4 Payment by Receiver

Only monies actually paid by a Receiver to the Security Agent in relation to the Secured Obligations shall be capable of being applied by the Security Agent in discharge of the Secured Obligations.

16.5 Agent of Chargor

Any Receiver appointed by the Security Agent under this Deed shall be the agent of the Chargor. The Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. No Secured Party shall incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

17 Powers of Receiver

17.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred on the Security Agent by clause 15.3 (*Powers of Security Agent*);
- (b) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (c) (whether or not they are an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (d) all powers which are conferred by any other law conferring power on receivers.

17.2 Additional powers

In addition to the powers referred to in clause 17.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which they were appointed;
- (b) to manage the Security Assets and the business of the Chargor as they think fit;

- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which they were appointed without the need to observe the restrictions imposed by section 103 of the Act and without limitation:
 - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of the Chargor;
 - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
 - (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as they think fit;
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Chargor;
- (g) to take any such proceedings (in the name of the Chargor or otherwise) as they shall think fit in respect of the Security Assets and/or income in respect of which they were appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as they shall think fit;
- (i) to insure, and to renew any insurances in respect of, the Security Assets as they shall think fit (or as the Security Agent shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as they shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- (k) to form one or more Subsidiaries of the Chargor, and to transfer to any such Subsidiary all or any part of the Security Assets;
- (l) to operate any rent review clause in respect of any Real Property in respect of which they were appointed (or any part thereof) and to apply for any new or extended lease; and
- (m) to:
 - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;

- (ii) exercise in relation to each Security Asset all such powers and rights as they would be capable of exercising if they were the absolute beneficial owner of the Security Assets; and
- (iii) use the name of the Chargor for any of the above purposes.

18 Application of proceeds

18.1 Application

All monies received by the Security Agent or any Receiver after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Debenture Security (if any)) be applied in the following order:

- (a) **first**, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made by the Security Agent, any other Secured Party or any Receiver or Delegate and of all remuneration due to the Receiver in connection with this Deed or the Security Assets;
- (b) **secondly**, in or towards satisfaction of the remaining Secured Obligations in accordance with clause 18.3 (*Appropriation and suspense account*); and
- (c) **thirdly**, in payment of any surplus to the Chargor or other person entitled to it.

18.2 Contingencies

If the Debenture Security is enforced at a time when no amounts are due under the Loan Documents (but at a time when amounts may become so due), the Security Agent or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as the Security Agent usually grants for accounts of that size and nature).

18.3 Appropriation and suspense account

- (a) Subject to clause 18.1 (*Application*), the Security Agent shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by the Chargor.
- (c) All monies received, recovered or realised by the Security Agent under or in connection with this Deed may at the discretion of the Security Agent be credited to a separate interest-bearing suspense account for so long as the Security Agent determines (with interest accruing thereon at such rate (if any) as the Security Agent and the Chargor shall agree upon in writing) without the Security Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations unless such monies would clear all Secured Obligations in full.

19 Set-off

19.1 Set-off rights

- (a) The Security Agent and each other Secured Party may (but shall not be obliged to) set off any obligation which is due and payable by the Chargor and unpaid (whether under the Loan Documents or which has been assigned to the Security Agent or such other Secured Party by the Chargor) against any obligation (whether or not matured)

owed by the Security Agent or such other Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation.

- (b) At any time after the Debenture Security has become enforceable (and in addition to its rights under clause 19.1(a)), the Security Agent and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by the Chargor under any Loan Document against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (c) If the obligations are in different currencies, the Security Agent or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (d) If either obligation is unliquidated or unascertained, the Security Agent or such other Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

19.2 Time deposits

Without prejudice to clause 19.1 (*Set-off*), if any time deposit matures on any account which the Chargor has with the Security Agent or any other Secured Party at a time within the Security Period when:

- (a) this Debenture Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Secured Party in its absolute discretion considers appropriate unless the Security Agent or such other Secured Party otherwise agrees in writing.

20 Delegation

Each of the Security Agent and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

21 Further assurances

21.1 Further action

The Chargor shall, at its own expense, immediately do all acts and execute all documents as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or a Receiver may reasonably require) for:

- (a) creating, perfecting or protecting the Security intended to be created by this Deed or any other Loan Document; and
- (b) facilitating the realisation of any Security Asset;
- (c) facilitating the exercise of any rights, powers and remedies exercisable by the Security Agent, any other Secured Party, or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Loan Documents or by law; or

- (d) creating and perfecting Security in favour of the Security Agent or the Secured Parties over any property and assets of the Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to this Deed or any other Loan Document.

This includes:

- (i) the re-execution of this Deed or such Loan Document;
- (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to the Security Agent or to its nominee; and
- (iii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may think expedient.

21.2 Loan Documents

The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to the Loan Documents.

21.3 Specific security

Without prejudice to the generality of clause 21.1 (*Further action*), the Chargor will immediately upon request by the Security Agent execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 7 (*Conversion of floating charge*)).

22 Power of attorney

The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any Delegate to be its attorney to take any action whilst an Event of Default is continuing or enforcement of the Debenture Security has occurred which the Chargor is obliged to take under this Deed, including under clause 21 (*Further assurances*) or, if no Event of Default is continuing, which the Chargor has failed to take if such failure has not been remedied within 10 Business Days of the Security Agent giving written notice to the Chargor requiring compliance. The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

23 Currency conversion

All monies received or held by the Security Agent or any Receiver under this Deed may be converted from their existing currency into such other currency as the Security Agent or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Security Agent's Spot Rate of Exchange. The Chargor shall indemnify the Security Agent against all costs, charges and expenses incurred in relation to such conversion. Neither the Security Agent nor any Receiver shall have any liability to the Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

24 Changes to the parties

24.1 Charging Companies

The Chargor may not assign any of its rights or obligations under this Deed.

24.2 Security Agent

The Security Agent may assign or transfer all or any part of its rights under this Deed pursuant to the resignation or removal of the Security Agent in accordance with the Loan and Security Agreement. The Chargor shall, immediately upon being requested to do so by the Security Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

24.3 Accession Deed

The Chargor shall agree, and execute as a deed, any duly completed Accession Deed.

25 Miscellaneous

25.1 New accounts

- (a) If the Security Agent or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than a Permitted Lien) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Loan Documents ceases to continue in force and/or the proceeds of sale of any Security Asset, it may open a new account or accounts for the Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.
- (b) As from that time all payments made to the Security Agent or such other Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

25.2 Tacking

- (a) Each Secured Party shall perform its obligations under the Loan and Security Agreement (including any obligation to make available further advances).
- (b) This Deed secures advances already made and further advances to be made.

25.3 Land Registry

- (a) The Chargor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of the Security Agent) for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted:

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [*****] 20[**] in favour of [*****] referred to in the charges register or their conveyancer."*

- (b) The Chargor:
 - (i) authorises the Security Agent to make any application which the Security Agent deems appropriate for the designation of this Deed, the Loan and Security Agreement or any other Loan Document as an exempt information document under rule 136 of the Land Registration Rules 2003;
 - (ii) shall use its best endeavours to assist with any such application made by or on behalf of the Security Agent; and
 - (iii) shall notify the Security Agent in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed, the Loan and Security Agreement or any other Loan Document, following its designation as an exempt information document.
- (c) The Chargor shall not make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.
- (d) The Chargor shall promptly make all applications to and filings with Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Debenture Security.

25.4 Protective clauses

The Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of the Chargor under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of the Chargor (whether or not known to it or to any Secured Party).

26 Notices

Clause 10 of the Loan and Security Agreement (*Notices*) is incorporated into this Deed as if fully set out in this Deed, save that the address and fax numbers of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Loan and Security Agreement or this Deed to the Security Agent (or, in the case of the Security Agent, by it to the other parties to the Loan and Security Agreement).

27 Calculations and certificates

Any certificate of or determination by a Secured Party or the Security Agent specifying the amount of any Secured Obligation due from the Chargor (including details of any relevant calculation thereof) is in the absence of manifest error, conclusive evidence against the Chargor of the matters to which it relates.

28 Partial invalidity

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

29 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Security Agent (or any other Secured Party), any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

30 Amendments and waivers

Any provision of this Deed may be amended only if the Security Agent and the Chargor so agree in writing and any breach of this Deed may be waived before or after it occurs only if the consenting Party so agrees in writing. A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

31 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures (and seals, if any) on the counterparts were on a single copy of this Deed.

32 Release

32.1 Release

Upon the expiry of the Security Period (but not otherwise) the Security Agent shall, at the request and cost of the Chargor, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Debenture Security.

32.2 Reinstatement

Where any discharge (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

33 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of England and Wales.

34 Enforcement

- (a) The courts of England and Wales have exclusive jurisdiction to decide any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Deed or its subject matter or formation (a **Dispute**)).
- (a) The Parties irrevocably agree that the courts of England and Wales are the most appropriate and convenient courts to decide Disputes and accordingly no Party will argue to the contrary.

IN WITNESS of which this Deed has been duly executed by the Original Chargor as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Deed by the Original Chargor.

Schedule 1 Details of Security Assets

Part 1 Real Property

Registered land		
Address	Administrative area	Title number
None as at the date of this Deed		
Unregistered land		
Address	Document describing the Real Property	
	Date	Parties
None as at the date of this Deed		

Part 2 Charged Securities

Name of company in which shares are held	Class of shares held	Number of shares held	Issued share capital
None as at the date of this Deed			

Part 3 Security Accounts

Security Accounts			
Account Holder	Account Number	Account Bank	Account bank branch address and sort code
None as at the date of this Deed			

Part 4 Intellectual Property

Part 4A – Trade marks					
Proprietor/ADP number	TM number	Jurisdiction/ apparent status	Classes	Mark text	
None as at the date of this Deed					
Part 4B – Patents					
Proprietor/ADP number	RF Reference	Patent number	Description	Application No. and Date	Grant Date
Ducentis Biotherapeutics Ltd	4549-137.AU	2017264825	CD200 Mutants and its uses – Australia	2017264825 10 May 2017	22 July 2021
Ducentis Biotherapeutics Ltd	4549-137.CN	ZL 2017 8 0028505.0	CD200 Mutants and its uses – China	201780028505.0 10 May 2017	24 May 2022
Ducentis Biotherapeutics Ltd	4549-137.IL	262846	CD200 Mutants and its uses – Israel	262846 10 May 2017	3 January 2023
Ducentis Biotherapeutics Ltd	4549-137.JP	6997767	CD200 Mutants and its uses – Japan	2019-511816 10 May 2017	21 Dec 2021
Ducentis Biotherapeutics Ltd	4549-137.KR	102498901B1	CD200 Mutants and its uses – Korea	10-2018-7035514 10 May 2017	10 Feb 2023
					10 May 2037

Ducentis Biotherapeutics Ltd	4549-137.MX	386295	CD200 Mutants and its uses – Mexico	MX/a/2018/013778 10 May 2017	20 Sept 2021	10 May 2037
Ducentis Biotherapeutics Ltd	4549-137.US	11,203,628	CD200 Mutants and its uses – US	16/300,382 10 May 2017	21 Dec 2021	14 Jul 2038 (430 days PTA)
Ducentis Biotherapeutics Ltd	4549-137.ZA	ZA2018/070779	CD200 Mutants and its uses – South Africa	2018/07079 10 May 2017	31 Jul 2019	10 May 2037

Part 5 Relevant Contracts

Date of Relevant Contract	Parties	Details of Relevant Contract
None as at the date of this Deed		

Part 6 Insurances¹

Insurer	Insured risks	Policy number
Marsh	Property	7034503346

¹ **CB note to Company:** Please see query above at footnote 5. Please complete the insured risks column and indicate the relevant policy number, if there is an insurance policy in place (or confirm if not). Please also list any other insurance policies the company holds.

Schedule 2 The Guarantee

1 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Chargor under the Loan Documents, regardless of any intermediate payment or discharge in whole or in part.

2 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) made by the Security Agent in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

3 Waiver of defences

The obligations of each Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this Deed, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or to the Security Agent) including:

- (a) any time, waiver or consent granted to, or composition with, any Chargor or other person;
- (b) the release of any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Loan Document or any other document or security including, without limitation, any change in the purpose of, any extension or increase in any facility or the addition of any new facility under any Loan Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Loan Document or any other document or security; or
- (g) any insolvency, administration or similar proceedings.

4 Guarantor Intent

Without prejudice to the generality of paragraph 3 (*Waiver of defences*), each Chargor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Loan Documents and/or any facility or amount made available under any of the Loan Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities, refinancing any other indebtedness; making

facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

5 Immediate recourse

Each Chargor waives any right it may have of first requiring the Security Agent to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Loan Document to the contrary.

6 Appropriations

Until all amounts which may be or become payable by the Chargors under or in connection with the Loan Documents have been irrevocably paid in full, the Security Agent (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other monies, security or rights held or received by the Security Agent (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from any Chargor or on account of any Chargor's liability under this Deed.

7 Deferral of Chargors' rights

Until all amounts which may be or become payable by the Chargors under or in connection with the Loan Documents have been irrevocably paid in full and unless the Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Loan Documents or by reason of any amount being payable, or liability arising, under this Deed:

- (a) to be indemnified by a Chargor;
- (b) to claim any contribution from any other guarantor of any Chargor's obligations under the Loan Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Agent under the Loan Documents or of any other guarantee or security taken pursuant to, or in connection with, the Loan Documents by the Security Agent;
- (d) to bring legal or other proceedings for an order requiring any member of the Group to make any payment, or perform any obligation, in respect of which any Chargor has given a guarantee, undertaking or indemnity under clause 2.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any member of the Group; and/or
- (f) to claim or prove as a creditor of any member of the Group in competition with the Security Agent.

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Security Agent by the any member of the Group under or in

connection with the Loan Documents to be repaid in full on trust for the Security Agent and shall promptly pay or transfer the same to the Security Agent.

8 Additional security

This guarantee is in addition to, and is not in any way prejudiced by, any other guarantee or security at the date of this guarantee or subsequently held by the Security Agent.

Schedule 3 Form of notice to and acknowledgement from Account Bank

To: [Name and address of Account Bank]

Dated: [****] 20[**]

Re:	Account Holder: [****] (the Chargor)
	Security Account Nos: [****] (the Security Account[s])
	Account Branch: [****]

1 We give notice that, by a debenture dated [****] 20[**] (the **Debenture**), we have charged to [****] (the **Security Agent**) as Security Agent. For certain banks and others (as referred to in the Debenture) all our present and future right, title and interest in and to:

- (a) the Security Accounts (as defined in this letter), all monies from time to time standing to the credit of the Security Accounts and all additions to or renewals or replacements thereof (in whatever currency); and
- (b) all other accounts from time to time maintained with you by us and all monies at any time standing to the credit of such accounts,

(together the **Charged Accounts**) and to all interest from time to time accrued or accruing on the Charged Accounts, any investment made out of any such monies or account and all rights to repayment of any of the foregoing by you.

2 We advise you that, under the terms of the Debenture and upon written instruction from the Security Agent informing you that an Event of Default has occurred and is continuing, we are not entitled to withdraw any monies from the Security Accounts without first having obtained the written consent of the Security Agent.

3 We irrevocably authorise and instruct you from time to time:

- (a) that, following your receipt of written instruction from the Security Agent informing you that an Event of Default has occurred and is continuing, to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Security Agent;
- (b) following receipt by you of written notice from the Security Agent informing you that an Event of Default has occurred and is continuing, to pay all or any part of the monies standing to the credit of the Charged Accounts to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect; and
- (c) to disclose to the Security Agent such information relating to us and the Charged Accounts as the Security Agent may from time to time request you to provide.

- 4 We agree that you are not bound to enquire whether the right of the Security Agent to withdraw any monies from any Charged Account has arisen or be concerned with (a) the propriety or regularity of the exercise of that right or (b) notice to the contrary or (c) to be responsible for the application of any monies received by the Security Agent.
- 5 This notice may only be revoked or amended with the prior written consent of the Security Agent.
- 6 Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us) that you agree to the above and that:
 - (a) you accept the authorisations and instructions contained in this notice and you undertake to comply with this notice;
 - (b) you have not, at the date this notice is returned to the Security Agent, received notice of any assignment or charge of or claim to the monies standing to the credit of any Charged Account or the grant of any security or other interest over those monies or any Charged Account in favour of any third party and you will notify the Security Agent promptly if you should do so in the future; and
 - (c) you do not at the date of this notice and will not in the future exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts.
- 7 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[NAME OF CHARGOR]

Countersigned by

for and on behalf of
[NAME OF SECURITY AGENT]

[On copy]

To: [****]
as Security Agent
[ADDRESS]

Copy to: [NAME OF CHARGOR]

We acknowledge receipt of the above notice. We confirm and agree:

- (a) that the matters referred to in it do not conflict with the terms which apply to any Charged Account; and
- (b) the matters set out in paragraph 6 of the above notice.

for and on behalf of
[Name of Account Bank]

Dated: [****] 20[**]

Schedule 4 Form of notice to and acknowledgement by party to Relevant Contract

To: [Insert name and address of relevant party]

Dated: [*****] 20[**]

RE: [DESCRIBE RELEVANT CONTRACT] DATED [*****] 20[**] BETWEEN (1) YOU AND [*****] AND (2) [*****] (THE CHARGOR)

- 1 We give notice that, by a debenture dated [*****] 20[**] (the **Debenture**), we have assigned to [*****] (the **Security Agent**) as Security Agent for certain banks and others (as referred to in the Debenture) all our present and future right, title and interest in and to [insert details of Relevant Contract] (together with any other agreement supplementing or amending the same, the **Agreement**) including all rights and remedies in connection with the Agreement and all proceeds and claims arising from the Agreement.
- 2 We irrevocably authorise and instruct you from time to time:
 - (a) to disclose to the Security Agent at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure), such information relating to the Agreement as the Security Agent may from time to time request;
 - (b) that, following your receipt of written instruction from the Security Agent informing you that an Event of Default has occurred and is continuing, to hold all sums from time to time due and payable by you to us under the Agreement to the order of the Security Agent;
 - (c) following receipt by you of written notice from the Security Agent informing you that an Event of Default has occurred and is continuing, to pay or release all or any part of the sums from time to time due and payable by you to us under the Agreement only in accordance with the written instructions given to you by the Security Agent from time to time;
 - (d) following receipt by you of written notice from the Security Agent informing you that an Event of Default has occurred and is continuing, to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Debenture or the Agreement or the debts represented thereby which you receive at any time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
 - (e) to send copies of all notices and other information given or received under the Agreement to the Security Agent.
- 3 Following the receipt of any notice from the Security Agent that an Event of Default has occurred and is continuing, we are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Agreement or to agree any amendment or supplement to, or waive any obligation under, the Agreement without the prior written consent of the Security Agent.
- 4 This notice may only be revoked or amended with the prior written consent of the Security Agent.
- 5 Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us) that you agree to the above and that:

- (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;
 - (b) you have not, at the date this notice is returned to the Security Agent, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Agreement or any proceeds of it and you will notify the Security Agent promptly if you should do so in future;
 - (c) following receipt of a notification from the Security Agent that an Event of Default has occurred and is continuing, you will not permit any sums to be paid to us or any other person (other than the Security Agent) under or pursuant to the Agreement without the prior written consent of the security Agent; and
 - (d) if you make any attempt to terminate or amend the Agreement following receipt of a notification that an Event of Default has occurred and is continuing, you will liaise with and notify the Security Agent as the proper counterparty under the Agreement and not us.
- 6 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[NAME OF CHARGOR]

[On copy]

To: [****]
as Security Agent
[ADDRESS]

Copy to: [NAME OF CHARGOR]

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in paragraph 5 in the above notice.

for and on behalf of
[Name of relevant party]

Dated: [****] 20[**]

Schedule 5 Form of notice to and acknowledgement by insurers

To: *[Insert name and address of insurer]*

Dated: [****] 20[**]

[DESCRIBE INSURANCE POLICIES] DATED [**] 20[**] BETWEEN (1) YOU AND (2) [****] (THE CHARGOR)**

- 1 We give notice that, by a debenture dated [****] 20[**] (the **Debenture**), we have [assigned] to [****] (the **Security Agent**) as Security Agent for certain banks and others (as referred to in the Debenture) all our present and future right, title and interest in and to the Policies (together with any other agreement supplementing or amending the same, the **Policies**) including all rights and remedies in connection with the Policies and all proceeds and claims arising from the Policies.
- 2 We irrevocably authorise and instruct you from time to time:
 - (a) to disclose to the Security Agent at our expense without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Security Agent may from time-to-time request;
 - (b) following written instruction from the Security Agent informing you that an Event of Default has occurred and is continuing, to hold all sums from time to time due and payable by you to us under the Policies to the order of the Security Agent;
 - (c) following receipt by you of written notice from the Security Agent informing you that an Event of Default has occurred and is continuing, to pay or release all or any part of the sums from time to time due and payable by you to us under the Policies only in accordance with the written instructions given to you by the Security Agent from time to time;
 - (d) following receipt by you of written notice from the Security Agent informing you that an Event of Default has occurred and is continuing, to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Debenture, the sums payable to us from time to time under the Policies or the debts represented by them which you may receive from the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction); and
 - (e) to send copies of all notices and other information given or received under the Policies to the Security Agent.
- 3 We irrevocably instruct you, with effect from the date of this notice, to note on the relevant Policies the Security Agent's interest as loss payee and as first priority assignee of the Policies and the rights, remedies, proceeds and claims referred to above.
- 4 We are not permitted to receive from you, otherwise than through the Security Agent, any amount in respect of or on account of the sums payable to us from time to time under the Policies or to agree any amendment or supplement to, or waive any obligation under, the Policies without the prior written consent of the Security Agent.
- 5 This notice may only be revoked or amended with the prior written consent of the Security Agent.

- 6 Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us) that you agree to the above and that:
- (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;
 - (b) you have not, at the date this notice is returned to the Security Agent, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Policies or any proceeds of them or any breach of the terms of any Policy and you will notify the Security Agent promptly if you should do so in future;
 - (c) following receipt of a notification from the Security Agent that an Event of Default has occurred and is continuing, you will not permit any sums to be paid to us or any other person under or pursuant to the Policies without prior written consent of the Security Agent; and
 - (d) if you make any attempt to terminate or amend the Policies following receipt of a notification that an Event of Default has occurred and is continuing, you will liaise with and notify the Security Agent and not us.
- 7 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[NAME OF CHARGOR]

[On copy]

To: [*****]
as Security Agent
[ADDRESS]

Copy to: [NAME OF CHARGOR]

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in paragraph 6 in the above notice.

for and on behalf of

[Name of relevant insurer]

Dated: [*****] 20[**]

Schedule 6 Form of Accession Deed

THIS ACCESSION DEED is made on

20[**]

BETWEEN

- (1) EACH COMPANY LISTED IN SCHEDULE 1 (each an Acceding Company);
- (2) [****] [(the Chargor)]; and
- (3) [****] (as Security Agent for the Secured Parties (as defined below)) (the Security Agent).

BACKGROUND

This Accession Deed is supplemental to a debenture dated [****] 20[**] and made between (1) the Chargor and (2) the Security Agent (the **Debenture**).

IT IS AGREED:

1 Definitions and Interpretation

(a) Definitions

Terms defined in, or construed for the purposes of, the Debenture have the same meanings when used in this Accession Deed including the recital to this Accession Deed (unless otherwise defined in this Accession Deed).

(b) Construction

Clause 1.2 (*Interpretation*) of the Debenture applies with any necessary changes to this Accession Deed as if it were set out in full in this Accession Deed.

2 Accession of the Acceding Company

(a) Accession

[The/Each] Acceding Company:

- (i) unconditionally and irrevocably undertakes to and agrees with the Security Agent to observe and be bound by the Debenture; and
- (ii) creates and grants [at the date of this Deed] the charges, mortgages, assignments and other security which are stated to be created or granted by the Debenture,

as if it had been an original party to the Debenture as Chargor.

(b) Covenant to pay

Without prejudice to the generality of clause 2(a) (*Accession*), [the/each] Acceding Company (jointly and severally with the other Chargor(s) [and each other Acceding Company]), covenants in the terms set out in clause 2 (*Covenant to pay*) of the Debenture.

(c) Charge and assignment

Subject to clause 7.5 of the Debenture and without prejudice to the generality of clause 2(a) (*Accession*), [the/each] Acceding Company with full title guarantee, charges and assigns (and agrees to charge and assign) to the Security Agent for the payment and discharge of the Secured Obligations, all its right, title and interest in and to the property, assets and undertaking owned by it or in which it has an interest, on the terms set out in clauses 4 (*Grant of security*), 5 (*Fixed security*) and 6 (*Floating charge*) of the Debenture including (without limiting the generality of the foregoing):

- (i) by way of first legal mortgage all the freehold and leasehold Real Property (if any) vested in or charged to the Acceding Company (including, without limitation, the property specified [against its name] in part 1 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any));
- (ii) by way of first fixed charge:
 - (A) all the Charged Securities (including, without limitation, those specified [against its name] in part 2 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)); together with
 - (B) all Related Rights from time to time accruing to them;
- (iii) by way of first fixed charge each of its Security Accounts and its other accounts with any bank or financial institution at any time (including, without limitation, those specified [against its name] in part 3 of schedule 2 (*Details of Security Assets owned by Acceding Company*) and all monies at any time standing to the credit of such accounts;
- (iv) by way of first fixed charge all Intellectual Property (including, without limitation, the Intellectual Property specified [against its name] in part 4 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any));
- (v) by way of absolute assignment the Relevant Contracts (including, without limitation, those specified [against its name] in part 5 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)), all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising from them; and
- (vi) by way of absolute assignment the Insurances (including, without limitation, those specified [against its name] in part 6 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)), all claims under the Insurances and all proceeds of the Insurances.

(d) Representations

[The/Each] Acceding Company makes the representations and warranties required pursuant to clause 11.8(a)(ii) to the Debenture as well as those set out in this clause 2(d):

- (i) The Charged Securities listed in [part 2 of] schedule 2 to the Accession Deed (*Details of Security Assets owned by the Acceding Companies*) constitute the entire share capital owned by each Acceding Company in the relevant company [and constitute the entire share capital of each such company]; and
- (ii) In relation to the Real Property, [part 1 of] schedule 2 (*Details of Security Assets owned by the Acceding Companies*) identifies all freehold and

leasehold Real Property which is beneficially owned by each Acceding Company at the date of this Deed.

(e) **[Consent]**

Pursuant to clause 24.3 (*Accession Deed*) of the Debenture, the Chargor:

- (i) consents to the accession of [the/each] Acceding Company to the Debenture on the terms of this Accession Deed; and
- (ii) agrees that the Debenture shall, after the date of this Accession Deed, be read and construed as if [the/each] Acceding Company had been named in the Debenture as a Chargor.]

3 Construction of Debenture

This Accession Deed shall be read as one with the Debenture so that all references in the Debenture to "*this Deed*" and similar expressions shall include references to this Accession Deed.

4 Third Party Rights

A person who is not a party to this Accession Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Accession Deed.

5 Notice details

Notice details for [the/each] Acceding Company are those identified with its name below.

6 Counterparts

This Accession Deed may be executed in any number of counterparts, and this has the same effect as if the signatures (and seals, if any) on the counterparts were on a single copy of this Accession Deed.

7 Governing law

This Accession Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

IN WITNESS of which this Accession Deed has been duly executed by [the/each] Acceding Company [and the Chargor] as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Accession Deed][by [the/each] Acceding Company and the Parent].

SCHEDULE 1 TO THE ACCESSION DEED

The Acceding Companies

Company name	Registered number	Registered office
[*****]	[*****]	[*****]
[*****]	[*****]	[*****]
[*****]	[*****]	[*****]
[*****]	[*****]	[*****]

SCHEDULE 2 TO THE ACCESSION DEED**Details of Security Assets owned by the Acceding Companies****[Part 1 - Real Property]**

Registered land				
[Acceding Company]	Address	Administrative area		Title number
[*****]	[*****]	[*****]		[*****]
Unregistered land				
[Acceding Company]	Address	Document describing the Real Property		
		Date	Document	Parties
[*****]	[*****]	[*****] 20[**]	[*****]	[*****]

[Part 2 - Charged Securities]

[Acceding Company]	Name of company in which shares are held	Class of shares held	Number of shares held	Issued share capital
[*****]	[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]	[*****]

[Part 3 - Security Accounts]

Security Accounts			
Account Holder	Account Number	Account Bank	Account bank branch address and sort code
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]

[Part 4 - Intellectual Property]

Part 4A - Trade marks				
Proprietor/ADP number	TM number	Jurisdiction/ apparent status	Classes	Mark text
[*****]	[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]	[*****]
[*****]	[*****]	[*****]	[*****]	[*****]

Part 4B - Patents		
Proprietor/ADP number	Patent number	Description
[*****]	[*****]	[*****]
[*****]	[*****]	[*****]
[*****]	[*****]	[*****]

[Part 5 - [Relevant][Material] Contracts]

[Acceding Company]	Date of Relevant Contract	Parties	Details of Relevant Contract
[*****]	[*****] 20[**]	[*****]	[*****]
[*****]	[*****] 20[**]	[*****]	[*****]

[Part 6 - Insurances]

[Acceding Company]	Insurer	Policy number
[*****]	[*****]	[*****]
[*****]	[*****]	[*****]

EXECUTION PAGES OF THE ACCESSION DEED

[insert execution provisions and notice details for the Acceding Companies]

[Redacted signature area]

[Redacted signature area]

[Redacted signature area]

Signature page

THE ORIGINAL CHARGOR

Executed as a deed, but not delivered until the)
first date specified on page 1, by **DUCENTIS**)
BIOTHERAPEUTICS LTD. acting by:)

Director _____

Witness signature _____

Witness name: Renee Burrows

Witness address: _____

Facsimile No: (805) 418-5006

Attention: Scott Burrows, Chief Financial Officer

Address: Suite 2 First Floor, 10 Temple Back, Bristol, United Kingdom, BS1 6FL

THE SECURITY AGENT

Signed by Anthony Storino for and on behalf)
of **SLR INVESTMENT CORP.**)
)

Signature _____

Anthony Storino, its Authorized Signatory

Address: 500 Park Avenue, 3rd Floor
New York, NY 10022, USA

Facsimile No: (212) 993-1698

Attention: Anthony Storino